VZCZCXRO1117 PP RUEHFK RUEHKSO RUEHNAG RUEHNH DE RUEHKO #4152/01 2070239 ZNR UUUUU ZZH P 260239Z JUL 06 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC PRIORITY 4661 INFO RUEKJCS/SECDEF WASHDC PRIORITY RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY RUEAWJA/USDOJ WASHDC PRIORITY RULSDMK/USDOT WASHDC PRIORITY RUCPDOC/USDOC WASHDC PRIORITY RUEAIIA/CIA WASHDC PRIORITY RUEKJCS/JOINT STAFF WASHDC//J5// RHHMUNA/HQ USPACOM HONOLULU HI RHHMHBA/COMPACFLT PEARL HARBOR HI RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA// RHMFIUU/COMUSJAPAN YOKOTA AB JA//J5/JO21// RUYNAAC/COMNAVFORJAPAN YOKOSUKA JA RUAYJAA/COMPATWING ONE KAMI SEYA JA RUEHNH/AMCONSUL NAHA 9957 RUEHFK/AMCONSUL FUKUOKA 7370 RUEHOK/AMCONSUL OSAKA KOBE 0673 RUEHNAG/AMCONSUL NAGOYA 7226 RUEHKSO/AMCONSUL SAPPORO 8498 RUEHBJ/AMEMBASSY BEIJING 3458 RUEHUL/AMEMBASSY SEOUL 9600 RUCNDT/USMISSION USUN NEW YORK 1329

UNCLAS SECTION 01 OF 08 TOKYO 004152

SIPDIS

SIPDIS

DEPT FOR E, P, EB, EAP/J, EAP/P, EAP/PD, PA; WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS OFFICE; SECDEF FOR JCS-J-5/JAPAN, DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR; CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

E.O. 12958: N/A

TAGS: OIIP KMDR KPAO PGOV PINR ECON ELAB JA

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 07/26/06 Part-2 Index:

- 11) Minshuto President Ozawa criticizes Koizumi on Yasukuni issue
- 12) Head of bereaved family association of war dead Makoto Koga taking the released words of the Showa Emperor very seriously
- 13) Bereaved family association of war dead may split over issue of removing the souls of Class-A war criminals from Yasukuni Shrine
- 14) On question of separation of souls once enshrined, Yasukuni Shrine says it is "impossible"
- 15) ASEAN ARF meeting of foreign ministers: Will Foreign Minister Aso be able to press his agenda forward?
- 16) Meeting tomorrow between Japan, South Korea on Takeshima (Dokdo) island dispute
- 17) US asks Japan to once more extend SDF fueling service in the Indian Ocean $\,$
- 18) JDA plans exchanges of uniformed officers and civilian bureaucrats at senior levels
- 19) Foreign Ministry, National Police Agency receive poor marks on computer data management to ensure security
- 20) WTO Doha Round: Collapse of talks brings out fear of protectionism, bilateralism, with Japan bemoaning lost change for

lower tariffs

21) Everything looks set for US beef imports to restart this week

Articles:

11) Minshuto head Ozawa criticizes Koizumi remarks on memo on Emperor Showa's feelings on Yasukuni

MAINICHI (Page 5) (Full) July 25, 2006

In a press conference yesterday, Minshuto (Democratic Party of Japan) President Ichiro Ozawa denounced Prime Minister Junichiro Koizumi for his remarks indicating that the memorandum recently revealed and showing Emperor Showa's (Hirohito) displeasure at the enshrinement of Class-A war criminals at Yasukuni Shrine will not affect his visit there, calling it "a matter of the heart." Ozawa assailed: "He does not understand the essence of the issue."

Following the revelation of the memorandum, an increasing number of Liberal Democratic Party members have begun to take a cautious view about the prime minister's visit to the shrine. Asked about this trend, Ozawa expressed displeasure, saying:

"I have the impression that they have no definite policy and began to say it would be better for the prime minister to stop visiting the shrine just because of reactions from China and South Korea. I have given a clear reason for (my opposition to the enshrinement of the war criminals at Yasukuni). I am unhappy to see the issue being discussed from a vague point of view."

12) LDP lawmaker Koga poised to urge Yasukuni Shine to remove Class-A war criminals

TOKYO 00004152 002 OF 008

ASAHI (Page 2) (Full) July 26, 2006

In a speech yesterday in Tokyo, former Liberal Democratic Party (LDP) Secretary General Makoto Koga, chairman of the Japan War-Bereaved Association, mentioned the recently disclosed memo of the late Emperor Showa's (Hirohito) remarks indicating displeasure at the enshrinement of Class-A war criminals at Yasukuni Shrine together with the war dead, and he again expressed his determination to urge the shrine to remove the Class-A war criminals on its own judgment. Koga then stated: "The remarks nearly brought me to tears. I think we in the association should give the highest priority to that feeling (of the late emperor) and take it most seriously."

In the speech, Koga stated: "Once the Class-A war criminals, who were not killed in the war, were enshrined, the imperial family stopped visiting Yasukuni. This collective enshrinement has made things worse between Japan and China. We must take action that will give careful consideration to the spirits of the war dead and consider what should be done so that the public as well as the imperial family can visit the shrine without reserve."

In addition, Koga said the Yasukuni issue is not "something for politicians to interfere in," adding, "If I am to be criticized for trying to have it both ways as a politician, I will as chairman of the Japan War-Bereaved Association consider what action the association should take."

13) LDP lawmaker Koga's separate enshrinement argument may split Japan War-Bereaved Association; Gap not yet narrowed between war-bereaved families of professional soldiers and those of drafted ones

ASAHI (Page 4) (Excerpts) July 26, 2006

Former Liberal Democratic Party (LDP) Secretary General Makoto Koga, chairman of the Japan War-Bereaved Association, again yesterday indicated his strong enthusiasm about the separate enshrinement of Class-A war criminals currently honored at Yasukuni Shrine together

with other war dead, but a senior member of the association voiced concern: "If this separation argument is promoted, our organization could divide over it." Behind this concern lies the gap of views between the war-bereaved families of professional soldiers and those of drafted soldiers regarding Class-A war criminals.

"My father was pulled on to a battlefield by a red postcard calling him up and then killed." In a speech yesterday, Koga mentioned his father this way and explained that when he was two years old, his father got drafted and two years later killed in a battle on Leyte Island in the Philippines. Speaking of the International Military Tribunal for the Far East (Tokyo Trial), Koga stated, "Some may argue that the court ruling is unacceptable on the part of Japan, and Japan had reasons for the war," but he firmly said, "What do the spirits of the war dead want us to do? I think it's important to give due consideration to that point." He thus indicated his enthusiasm to bring about a separate enshrinement.

TOKYO 00004152 003 OF 008

Yet, the Japan War-Bereaved Association has been divided over the question of the separate enshrinement.

During a board of directors meeting of the association held in late May, some directors gave support to the separate enshrinement, saying, "We favor the chairman's view." But according to an informed source in the association, most of those so inclined are the bereaved families of drafted soldiers.

On the other hand, most of the bereaved families of professional soldiers reportedly do not think the enshrinement of Class-A war criminals at Yasukuni Shrine together with other war dead is a problem. They seem to have accepted the shrine's argument that the separate enshrinement is impossible in view of the basic principles of the religious rituals.

Koga has said he takes the late Emperor Showa's (Hirohito) recently-disclosed memo "seriously," but there is a subtle difference in responses to the memo among the war-bereaved families.

14) Yasukuni Shrine: Class-A war criminals cannot be separately enshrined

NIHON KEIZAI (Page 2) (Full) July 26, 2006

Q: What's the separate enshrinement of Class-A war criminals?

A: In 1978, a total of 14 Class-A war criminals in the Tokyo Trials, including former Prime Minister Hideki Tojo, were enshrined at Yasukuni Shrine. Their separate enshrinement would mean removing their spirits from Yasukuni Shrine. In 1985, Prime Minister Yasuhiro Nakasone paid homage at Yasukuni Shrine. At that time, China and South Korea opposed it. Nakasone then worked on the bereaved facilities of those war criminals to allow their un-enshrinement from Yasukuni Shrine and a separate enshrinement at another shrine.

Q: What did Yasukuni Shrine think about it?

A: Yasukuni Shrine has refused to do so, explaining that one's soul, once enshrined at Yasukuni Shrine, cannot be separately enshrined or unenshrined based on Shinto beliefs. Yasukuni Shrine says the souls of those Class-A war criminals, even if their souls are moved to another shrine, would still remain at Yasukuni Shrine.

Q: Will separate enshrinement resolve the problem?

A: China and South Korea differentiate Class-A war criminals from Class-B and Class-C war criminals. Both China and South Korea regard the Class-A war criminals as "war criminals." The two countries have criticized Japanese prime ministers for their visits to Yasukuni Shrine as "glorifying the war of aggression." If the Class-A war criminals are separated off from Yasukuni Shrine and enshrined at another shrine, they can be differentiated from those who died in the war. This separate enshrinement is expected to ease the

sensitivities of China and South Korea.

Q: Is it possible?

TOKYO 00004152 004 OF 008

A: The late Emperor Showa (Hirohito) was displeased with the enshrinement of Class-A war criminals at Yasukuni Shrine, according to his narratives recently discovered. This could invigorate those who advocate separately enshrining the Class-A war criminals. However, their bereaved families have disagreed. They say if they agree to do so, that means to recognize the Class-A war criminals as war criminals. Yasukuni Shrine is a religious institution, so the government cannot compel the shrine to separate the Class-A war criminals. It's not easy.

15) Can Foreign Minister Aso enhance his presence at ARF, his last international conference as foreign minister?

TOKYO SHIMBUN (Page 2) (Full) July 26, 2006

Takayoshi Goto, Kuala Lumpur

Foreign Minister Taro Aso, currently on a tour of Asia, will be visiting Malaysia July 26-28 to attend the ASEAN Regional Forum (ARF) and other meetings. The ARF is likely to be the last international conference for Aso as foreign minister in the Koizumi administration. Presumably, he wants to strengthen his presence ahead of the Liberal Democratic Party (LDP) presidential election slated for this fall.

ASEAN-related meetings will be also joined by US Secretary of State Rice, North Korean Foreign Minister Paek Nam Sun, Chinese Foreign Minister Li Zhaoxing, South Korean Foreign Affairs and Trade Minister Ban Ki Moon, and other officials. Aso will meet with his South Korean counterpart tomorrow, and he is also planned to meet separately with the US secretary of state and the Chinese foreign minister.

An idea now being considered is to hold a six-party foreign ministerial to discuss North Korea's test-firing of ballistic missiles and other issues, and assuming that North Korea may reject that idea, another plan is also being floated to hold a five-party meeting.

For Aso, who remains unable to increase support for his bid for the LDP presidency, former Chief Cabinet Secretary Fukuda's declaration a few days ago that he would not run in the LDP presidential race has come as a welcome opportunity. Aso would like to score points by stepping up pressure on North Korea and improving relations with China and South Korea.

16) Japanese, South Korean foreign ministers to meet tomorrow on Takeshima issue

MAINICHI (Page 5) (Full) July 26, 2006

Foreign Minister Taro Aso and South Korean Foreign Affairs and Trade Minister Ban Ki-moon will meet on the morning of July 27 on the sidelines of the Association of Southeast Asian Nations (ASEAN) Regional Forum in Kuala Lumpur, Malaysia.

TOKYO 00004152 005 OF 008

They are expected to exchange views on countermeasures to North Korea's missile launches, maritime surveys in waters near the Takeshima Islands (Dokdo), over which both Japan and South Korea have claimed sovereignty, and other issues.

17) US Assistant Secretary of Defense asks Japan to extend MSDF fueling operations in Indian Ocean

YOMIURI (Page 4) (Full) July 26, 2006

Former Liberal Democratic Party Vice President Taku Yamasaki met with United States Assistant Secretary of Defense Rodman yesterday. Rodman requested that the government extend the ongoing fueling operations by the Marine Self-Defense Force (MSDF) beyond their November deadline. The operations are based on the Antiterrorism Special Measures Law, which is to expire in November. Yamasaki indicated a cautious view about the proposal, saying: "An extension will require considerable energy."

18) Defense Agency, SDF to exchange personnel

MAINICHI (Page 2) (Abridged) July 26, 2006

Defense Agency Director General Fukushiro Nukaga decided yesterday to exchange senior-level personnel between the Defense Agency and the Self-Defense Forces. This summer, SDF officers will be appointed to division director posts in the agency. In the meantime, senior agency officials are also expected to become division directors in the staff offices of the Ground, Maritime, and Air Self-Defense Forces. The agency will revise its ordinances as necessary along with this summer's personnel changes.

The Defense Agency's internal bureaus and the SDF's three branches have had a strong tendency to think of themselves as independent organizations. "They're working against each other when they should think of the Defense Agency on the whole," a top-level official of the agency said. For this reason, the agency will exchange senior-level personnel with the GSDF, MSDF, and ASDF staff offices so that they can gain a broad overview of the Defense Agency.

The SDF is thinking of exchanging GSDF and ASDF colonels and MSDF captains with the Defense Agency's internal bureaus for division director posts. In the past, SDF officers used to be assigned to the Public Information Division or the Defense Policy Division at the agency. However, they were temporarily seconded to these sections as SDF staff officers. No personnel exchanges have been allowed for posts above the division director level.

19) Info security: Foreign Ministry, National Police Agency at lowest level

YOMIURI (Page 1) (Abridged) July 26, 2006

The information security of computers for government personnel's official use is low and inadequate, according to the results of a fact-finding survey conducted by the National Information Security

TOKYO 00004152 006 OF 008

Center (NISC), a government body set up under the Cabinet Secretariat. In an NISC report released yesterday, six government

SIPDIS

agencies, which handle critical information, are evaluated at "D," the lowest level of four-rank information security. The six agencies include the Foreign Ministry, the Justice Ministry, and the National Police Agency. Meanwhile, no government agencies are evaluated at "A" in the report. The government held an information security policy meeting yesterday at the prime minister's office, during which Chief Cabinet Secretary Abe ordered officials to improve the information security of government-owned computers immediately.

The NISC looked into the information security of about 460,000 government-owned computers for official use in late March this year to check nine points, including antivirus software installation, data encryption, and theft countermeasures.

As a result, none of those surveyed government ministries and agencies is evaluated at "A," the highest level of information security with all computers completely done with safeguards and other adequate countermeasures. Three government offices are evaluated with the "B" rating, a level with 80 percent or more

computers adequately secured. The "C" rating, a level with less than 80 percent secured, was given to 10 government agencies, including the Cabinet Office. The "D" rating, a level below 60 percent, was for six government offices.

20) Suspension of WTO talks; Mounting concern over rising protectionism; Bilateral trade talks expected to gain momentum

ASAHI (Page 9) (Excerpts) July 26, 2006

The multilateral trade liberalization talks (Doha Round), which have continued for five years under the World Trade Organization (WTO), have been suspended and are now facing the prospect of failing. The multilateral free trade system, under which 149 economies have endeavored to open their markets based on common rules, is now at an impasse. The collapse of the Doha Round talks, which have aimed to enhance the global economy through expanded trade, including with developing countries, is bound to give momentum to a protectionist trend still deep-rooted in the world, leading to an even wider gap between affluent and poor countries.

Tariff reductions unlikely; Industrial circles disappointed; Farm policy clique overjoyed

Prospects for cutting trade tariffs, including those in developing countries, have further dimmed. Japanese industrial circles are disappointed at the collapse of the global trade talks, with a spokesperson for Hitachi noting, "Over the long term, high tariffs imposed by emerging economies are problematic." A spokesperson for Sony said, "We wanted the WTO to correct the 14 percent tariff the EU imposes on electrical appliances, such as TVs, video monitors, and DVD recorders."

While the average tariff on mined and manufactures products is low in industrialized countries - 2.3 percent in Japan - India's rate is 34.3 percent and Brazil's 30.8 percent. Discussions were underway at the Doha Round to cap the tariffs developing countries impose on

TOKYO 00004152 007 OF 008

mined and manufactured products at 15 percent. Since Japan is lagging behind other major industrialized countries in its effort to sign free trade agreements (FTA), the collapse of the WTO talks is a serious blow.

Japan has also put a lot of work into the creation of rules to prevent the abuse of antidumping measures designed to place high tariffs on items that have been identified as being dumped. The US and the EU, major importers of Japanese products, frequently impose such measures. Industrial circles had hoped that rules on this practice would be established.

In the meantime, MAFF, agricultural organizations, and related Diet members are hailing the suspension of the multilateral talks. In FTA talks many trade items can be treated as exceptions, unlike agreements signed under the WTO, which obligate all members to open their markets.

In FTA talks with Thailand, rice was allowed a 778 percent tariff and sugar a 325 percent tariff as exceptions at Japan's insistence. The government and the ruling camp intend to make such key products as rice, sugar, starch, and dairy products exceptions to tariff cuts in future FTA talks. It will thus continue a policy of protecting domestic farmers by blocking imports of farm produce with high tariffs, a practice unusual among industrialized countries.

21) Government to formally decide to resume US beef imports tomorrow, following completion of inspections of processing facilities in US $\,$

NIHON KEIZAI (Page 5) (Full) July 26, 2006

The government intends to formally decide on the resumption of US beef imports tomorrow. A Japanese survey mission has inspected 35 meat-processing facilities in the US as of last weekend. The

inspections found no serious problems that would lead to the postponement of imports, with the exception of two facilities. The government will convey its decision to lift the embargo to the Liberal Democratic Party on July 27, once it undertakes internal coordination with the Ministry of Agriculture, Forestry and Fisheries (MAFF) and the Ministry of Health, Labor and Welfare (MHLW). It will also convey the policy to the Food Safety Commission. The domestic distribution of US beef will start within this month at the earliest.

Tokyo and Washington last month agreed to reinstate beef trade subject to conditions including Tokyo implementing prior inspections of meat packers authorized to export products to Japan. The month-long inspections of US beef processing plants found problems at two facilities, according to a senior MHLW official. The government has, however, judged that it would not affect the resumption of imports as a whole since the inspections found the remaining plants either proper or only slightly deficient. Regarding the two plants that did not pass the inspection, the government will confer on measures to improve the situation with the US and consider whether to grant export authorization to them or not.

About 1,000 tons of US beef, which was shipped to Japan but did not TOKYO 00004152 008 OF 008

undergo customs clearance procedures due to the imposition of the second embargo this January, are still held in storage. The government intends to approve the distribution of this meat after checking all cartons. Chances are that this meat will be put on the market first, once the import ban is lifted.

Following Tokyo's decision to resume imports, US meatpackers will begin shipping products to Japan at the order of Japanese importers. However, some Japanese consumers are still distrustful of the safety of US beef, and many restaurant chains are cautious about serving US beef. Quarantine procedures are expected to take time because of the toughed water's edge operations by Japan. As such, the first batch of imports will unlikely be distributed before August.

SCHIEFFER